

reduced uniform rate for such educational loans with simple interest as in the case of agricultural loans.

**SHRI P. CHIDAMBARAM:** Sir, banks have agreed to give loans at the benchmark PLR rate up to Rs. 4 lakhs. Most students, in fact, a vast majority of students, do not take a loan beyond Rs. 4 lakhs. So, loans are available at benchmark PLR rate. There is no proposal of the Government to interfere with the interest rate.

### **Reluctance of banks to lend to minorities**

\*385. **SHRI C. PERUMAL:** Will the Minister of FINANCE be pleased to state:

- (a) whether banks are reluctant to lend to minorities;
- (b) if so, the reasons therefor; and
- (c) the steps taken to ensure adequate credit to minorities?

**THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM):** (a) to (c) A Statement is laid on the Table of the House:

### **Statement**

(a) and (b) The Reserve Bank of India (RBI) have reported that banks' lending to the minority communities has been increasing over the year. The data on advances by the Public Sector Banks to the minority communities during the last five years are as under:—

Year	Priority Sector Advances (PS) (B)	Amt. (Rs. in crores)	
		Share of Minority Communities in Priority Sector (in all districts) Amt. (A)	% share to PS (A/B)
March 2002	1,71,484	16,501	9.62
March 2003	1,99,786	19,715	9.87
March 2004	2,44,456	23,539	9.63
March 2005	3,07,046	30,578	9.96
March 2006	4,10,379	38,402	9.35

(Figures rounded off to nearest crore)

(c) RBI has advised banks to take various steps to ensure adequate credit to the minorities which include the following:—

- A Special Cell should be set up in each bank to ensure smooth flow of credit to the minority communities.
- The Lead Bank in each of the minority concentration districts should have an officer to look after the problems regarding credit flow to minorities, who should also be responsible for giving publicity to the bank's schemes among the minority communities.
- The convenor banks of the State Level Bankers Committee (SLBC) should ensure that steps taken to facilitate the flow of credit to the minority communities and the progress made are reviewed in their meetings.
- The Lead Banks in the minority concentration districts may collaborate with NABARD and NGOs in reaching the poor through Self Help Groups (SHGs).
- Branch Managers should be vested with adequate discretionary powers to sanction loans under the various welfare schemes.
- The field level functionaries of banks should ensure that there is no inordinate delay between the sanction and disbursement of loans.
- Banks should adopt a transparent procedure eliminating middlemen operating between beneficiaries and the banks.
- Proper record of receipt and disposal of applications should be maintained.
- Banks should not insist upon deposit amount or documents, guarantees, etc. not envisaged in the Government sponsored schemes i.e. Swarnjayanti Gram Swarojgar Yojana (SGSY) and Swarna Jayanti Shahari Rojgar Yojana (SJSRY), etc.

SHRI C. PERUMAL: Sir, the fact is that many public sector banks and private banks have laid down the criteria of negative areas such as locations which have heavy concentration of minorities. Mostly Muslims, which do not qualify for loans. I would like to know from the hon. Minister on the steps taken in this regard.

SHRI P. CHIDAMBARAM: Sir, I have said in the answer on the priority sector advances, and in that the share of minorities. I have said that there is no particular direction that loans should be given in some areas and loans should not be given in some areas. It is true that in areas where there is a large concentration of minority communities, banks have been advised that their lending must lean towards the minority communities which are concentrated in those areas. That does not mean that minority community borrower in any other area will not get a loan. I hope I have understood your question.

SHRI C. PERUMAL: Sir, the record of private and foreign banks in lending to minorities is poor. Whether it is proposed to take action against any foreign or private banks if they refused loans to the minorities who are otherwise eligible.

SHRI P. CHIDAMBARAM: Sir, I would be the first to concede that lending to minorities has not kept pace with the overall credit expansion in the country. Minorities suffer several disadvantages. One of the disadvantages is inadequate access to bank credit. I would be the first to admit that. After the 15 point programme, today what we have done is we have included a phrase which says within the weaker section there must be more lending to minorities. Whenever a minority borrower, intending borrower, who is otherwise eligible for a loan, does not get a loan, he can complain to a number of organisations. Today we have a Banking Ombudsman. The new Banking Ombudsman Scheme is a complete revamped scheme which is delivering justice to the individuals. I would urge minority borrowers who are otherwise eligible for loans and who do not get loans to complain to the Banking Ombudsman, to the RBI, to the Government. Surely, action will be taken in those cases.

MS. MABEL REBELLO: Sir, in Central India, that is, in Jharkhand, Chhattisgarh, Madhya Pradesh, Orissa, a large number of minorities are tribals. Hence, they suffer from dual disadvantages. These minorities have access to minor forest products like *tendu* leaves, *mahua*, *lakh*, honey,

and all that, and they have no retaining capacity. the minute they collect those things, they have to sell it because they do not get institutional credit. They have to either sell it to the traders immediately or borrow at exorbitant rate of interest from others. I would like to know from the hon. Minister how is he going to help these people who are suffering from dual disadvantages of being minorities and tribals, to improve their status by giving them financial credit, bank credit, at reasonable rate of interest and improve their status. Sir, I had asked a question during last Session and reply I got was that no tribal and minority in the Central India has got institutional credit of more than a crore of rupees for any business, Sir, why is it so? Is it because they are minorities and tribals? This is what I would like to know.

**SHRI P. CHIDAMBARAM:** Sir, as I said, many sections of the India people suffer a number of disadvantages. One of the disadvantages is inadequate access to credit. Now we can argue with the proposition that minorities are among the disadvantaged in terms of access to credit. There can be no quarrel with the proposition that the Scheduled Tribes are among the disadvantaged in terms of access to credit. I share the concern but we are now impressing upon the banks that they must lend more to the Scheduled Tribes, lend more to minorities, lend more to farmers, lend more to SHGs, lend more to students. The results are visible. The results are visible but not satisfactory. I shall certainly impress upon all banks that they must sharply step up lending to minorities and among the minorities to Scheduled Tribe minorities.

**SHRIMATI BRINDA KARAT:** Thank you, Mr. Chairman, Sir. Sir, looking at the figures that the hon. Minister has placed before the House, it is clear that whereas the priority sector advances have certainly increased during the UPA time and as far as amount is concerned, that has also increased. But as far as percentage is concerned, in fact, it has gone below that of the NDA Government. In other words, during the time of the NDA Government in 2002, it was 9.6 per cent and today it has come down to 9.3 per cent. What I want to know from the Minister is this. This is not a semantic debate-a debate on semantics. He has talked about disadvantages. In fact, what these figures reflect is outright, blatant discrimination against the minority communities. Disadvantage means-it is something beyond the Government and it is a disadvantage position. Here we are talking about active discriminatory policies which lead to the

present situation. The Sachar Committee Report is at hand, I am talking about minorities in general and specifically the Muslim minority. Why? Because it is very clear in the work profile that we have seen in the Sachar Committee Report that according to their population, the highest proportion of self-employed people, artisans, those who are dependent for sustenance on self-employment are from the Muslim minority. They cannot exist, they cannot sustain themselves without...*(Interruptions)*... bank credit.

MR. CHAIRMAN: Please come to the question.

SHRIMATI BRINDA KARAT: No, Sir. Please excuse me. So, firstly this is active discrimination against the community. We believe that the Prime Minister's 15-Point programme which the Cabinet approved on June 22nd, where it is specifically...*(Interruptions)*...

MR. CHAIRMAN: What is your question?

SHRIMATI BRINDA KARAT: I am coming to the question, Sir.

MR. CHAIRMAN: What is your question? Others are also waiting.

SHRIMATI BRINDA KARAT: Sir, 15 per cent...*(Interruptions)*... Sir, they have earmarked 15 per cent of the priority sector bank credit. What I want to know from the Minister is that this 15 per cent earmarking is to be done through the various instructions given to the banks. What is the amount dispersed from March till November towards fulfilling the 15 per cent and what assurance can the Minister give that within a particular time bound period that 15 per cent will be released? ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: Sir, Prime Minister's 15 point programme states *inter alia*, wherever possible upto 15 per cent of target and outlays under various schemes should be earmarked for the minorities. As regards bank credit, it says, an appropriate percentage of priority sector lending in all categories is targeted for minority communities. As I understand, it does not say 15 per cent of credit must go to the minorities. It is 15 per cent of outlays of scheme that must be targeted towards minorities and an appropriate percentage of credit must go to the minorities.

SHRIMATI BRINDA KARAT: What is that appropriate thing? Please quantify.

SHRI P. CHIDAMBARAM: I cannot quantify, Sir. What it means is that they must step up sharply the lending to minorities and that is precisely what we are going to do.

**SHRIMATI BRINDA KARAT:** By bringing it down.

**SHRI P. CHIDAMBARAM:** If I may be allowed to answer, Sir, I do not think we can quarrel over the second decimal point. There is a numerator. There is a denominator. The numerator is growing. The denominator is growing. sometimes the denominator grows faster than the numerator. The second decimal point will be affected. The point is, the more credit...

**SHRI SHAHID SIDDIQUI:** Semantics.

**SHRI P. CHIDAMBARAM:** It is not semantics. Please listen. Just because she used the word 'semantics' you don't repeat the word 'semantics' now. Today, since this Government...

**SHRI SHAHID SIDDIQUI:** Semantics of...

**SHRI P. CHIDAMBARAM:** I hope you understand the meaning of the word, 'semantics'. As of March...

**SHRIMATI BRINDA KARAT:** Sir, what is this? Is this the way to answer a question? Sir, every time when the Finance Minister gets up he teaches us lessons, which we do not need to learn from him. We do not want to know about decimals. We want to know what is the percentage. What are the lessons you are teaching? (*Interruptions*)

**SHRI P. CHIDAMBARAM:** Then, why is she interrupting me? Why is she interrupting me? I don't teach anybody. (*Interruptions*)

**MR. CHAIRMAN:** Please take your seat. (*Interruptions*) Please take your seat.

**SHRI P. CHIDAMBARAM:** Then, why is she interrupting me? (*Interruptions*)

**MR. CHAIRMAN:** Please take your seat. (*Interruptions*) Let him reply.

**SHRI SHAHID SIDDIQUI:** We must get the reply. I cannot speak as good English as he can. I have not studied from Harvard, I have studied...(*Interruptions*)...

**SHRI P. CHIDAMBARAM:** The hon. Member must have the patience to wait for my answer. I am answering Shrimati Brinda Karat's question.

**श्री शाहिद सिद्दिकी:** माइनरिटी के नाम पर मुसलमानों को नहीं मिल रहा है। ... (व्यवधान) ... Minorities are being discriminated. (*Interruptions*) That is the reality.

[19 December, 2006]

RAJYA SABHA

**SHRI P. CHIDAMBARAM:** I am answering the hon. Member's question. I say that total lending to minorities, which was 23,539 crore has increased to 38,402 crore I started by saying there is visible improvement. It is not satisfactory. I said so. I said we are impressing upon banks to lend more to minorities. After the 15 Point Programme, RBI has amended the master circular, issued an instruction that within the weaker sections, the share of lending to minorities must be sharply increased. This is all that has happened this year. (*Interruptions*)

**SHRIMATI BRINDA KARAT:** What is earmarked?

**MR. CHAIRMAN:** Let him reply. (*Interruptions*) Nothing will go on record. Please take your seat. (*Interruptions*) You cannot stand up without my permission.

**SHRI P. CHIDAMBARAM:** I answered by saying we are not earmarking any percentage. All that we say is, at the end of March 2007, we would have to look at the figures to see whether as a result of the Prime Minister's 15 Point Programme and the revised instructions issued the share of lending to minorities has increased; it can only be ascertained at the end of March 2007. We are in the middle of the year. We have got figures up to March 2006 and we will measure the improvement at the end of March 2007.

**MR. CHAIRMAN:** Next question. Q. No. 386.

आंटी इंडस्ट्री का वार्षिक उत्पादन

386. श्री राज मोहिन्दर सिंह मजीड़ा† :

श्री राम जेठमलानी :

क्या भारी उद्योग और लोक उद्यम मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि देश में आंटी इंडस्ट्री का वार्षिक उत्पादन गत वर्षों के दौरान निरंतर बढ़ता रहा है;

(ख) यदि हाँ, तो वर्ष 2000-01 से वर्ष 2005-06 तक इस उत्पादन वृद्धि की औसत वार्षिक कितनी रही है; और

(ग) इस अवधि के दौरान इस उत्पादन में से आंटी इंडस्ट्री द्वारा किए गए निर्यात का औसत वार्षिक प्रतिशत कितना है?

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†सभा में यह प्रश्न श्री राज मोहिन्दर सिंह मजीड़ा द्वारा पूछा गया।